

August 06, 2021

To
The Manager
The Department of Corporate Services
BSE Limited
Floor 25, P. J. Towers,
Dalai Street, Mumbai — 400 001

To
The Manager
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai — 400 051

Scrip Code: 531147

Scrip Symbol: ALICON

Sub: Earnings Presentation on Q1 FY21-22

Dear Sir/ Madam,

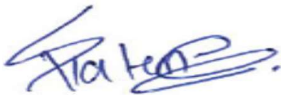
Pursuant to the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached investor presentation on the financials for the quarter ended June 30, 2021.

This is for your information and records.

Thanking you,

Yours faithfully,

For **Alicon Castalloy Ltd**



Swapnal Patane
Company Secretary

Alicon Castalloy Ltd

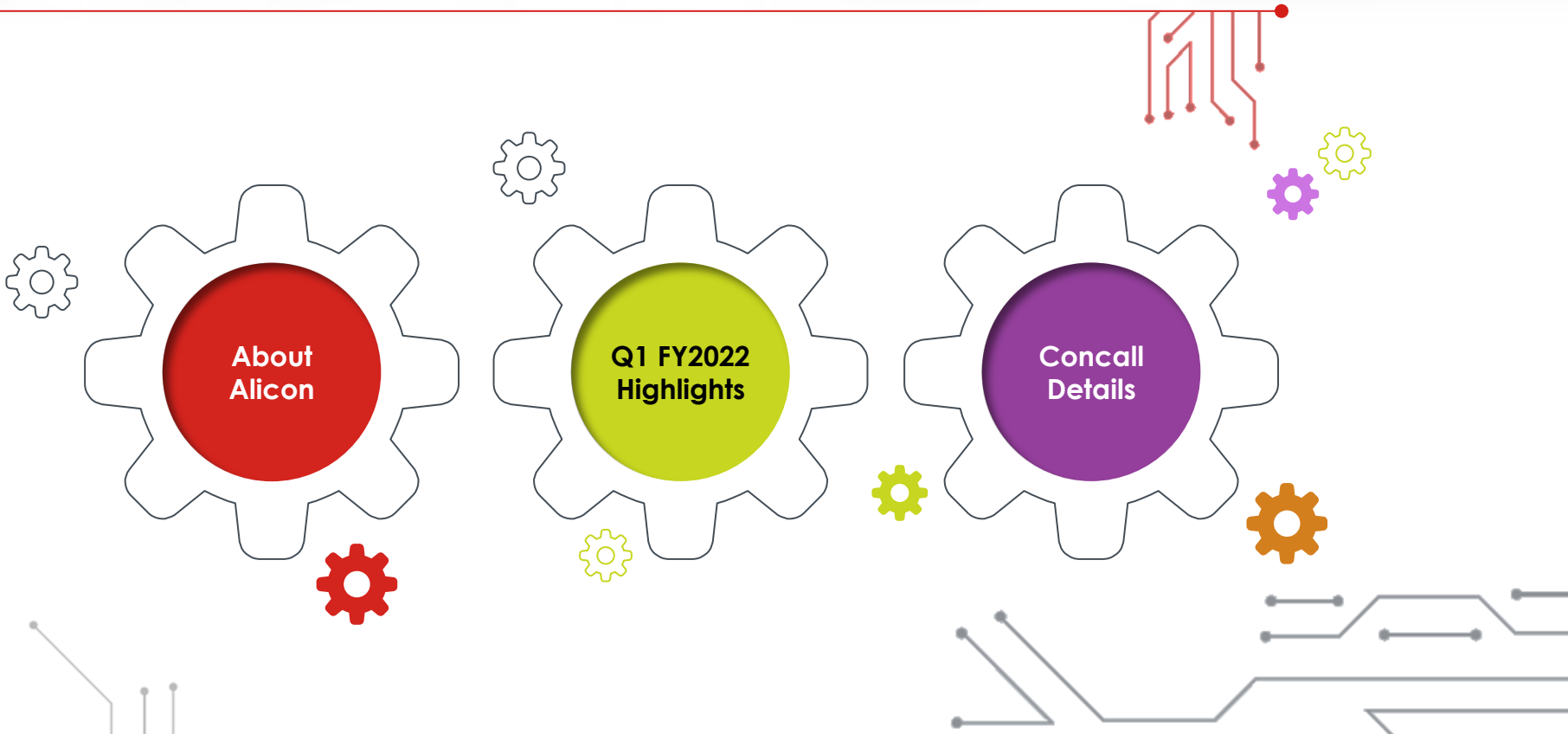
Q1 FY22 Results Presentation

August 5, 2021

Disclaimer

Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Contents





About Alicon Castalloy



Alicon Castalloy - Overview

Offers end-to-end solutions spanning the entire spectrum of aluminum casting needs across multiple user industries

Offers - Design, Engineering, Casting, Machining and Assembly, Painting and Surface Treatment of Aluminum Components

Pioneer in India for processes of Low Pressure Die Casting (LPDC) and Gravity Die Casting (GDC)

Operates one of the largest Aluminum foundries in India

Leaders in the development of Pro-Cast and Magma space in India

Diversified marquee Customer base across core sectors in India coupled with steady rise in International presence

Robust track record of 49 years, further enriched by 89 year legacy of Illichmann Castalloy



Alicon Castalloy - At a Glance



851

INR crore of Total
Income in FY21



86

INR crore of
EBITDA in FY21



89

customers with..

757

Live Parts



4

Manufacturing
Units



131

No. of product
innovations during FY20



18

Presence in
countries

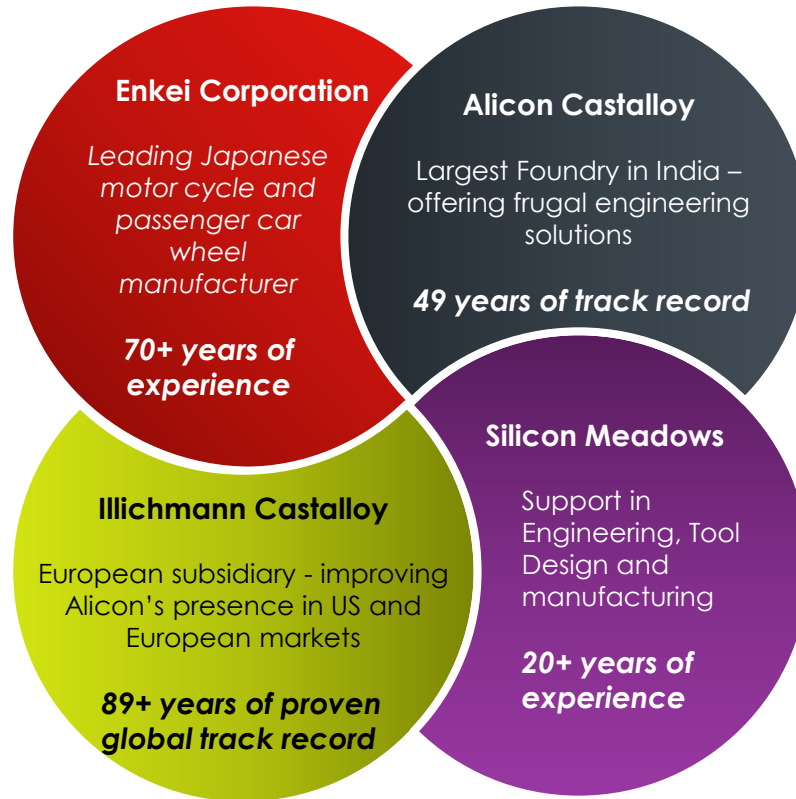


997

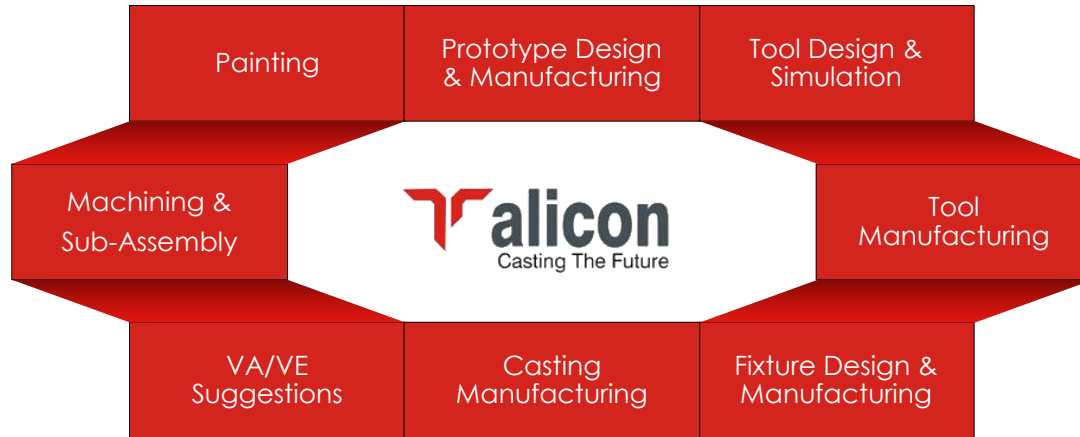
No. of permanent
employees

Alicon Castalloy – Blending the best attributes

*A blend of
European
engineering skills,
Japanese quality
and inherent
Indian ingenuity
and frugality*



One-stop shop for all engineering solutions related to aluminum alloy castings



Catering to key sectors of the Indian economy



Automobile



Infrastructure



Aerospace



Medical



Energy



Agriculture

Global Presence : Close-to-Demand

Strategic locations enable shorter time-to-market and enhanced cost optimization



4 modern plants
(1 international)

High-end machines

Advanced Technology Centre

Globally competent Tool
Rooms (20 tools/ a month)

Full-edged Machine Shop
(including assembly facility)

USA
Marketing Franchise

France
Marketing Franchise

Austria
International Marketing
Office

Slovakia
* Manufacturing Plant
* Tool Room
* Product Validation Lab

**Chinchwad, Pune
Maharashtra**
* Manufacturing Plant
* Tool Room
* Product Validation Lab
* Machine Shop

**Shikrapur, Pune
Maharashtra**
* Manufacturing Plant
* Technology Centre
* Product Validation Lab
* Machine Shop

**Binola,
Haryana**
* Manufacturing Plant
* Product Validation Lab

Diversified base of marquee customers

Diversity across markets and industries provides a natural hedge

TWO WHEELER OEM



Not reliant on a single 'anchor' customer

None of the customers contribute >15% of turnover

FOUR WHEELER OEM



TIER 1 & NON AUTO



AND MANY MORE...

The background is split into two main sections. The top right section is white and contains a faint, light gray graphic of a circuit board with various lines and dots. The bottom left section is a solid red color that transitions into a dark red gradient towards the bottom right. The text 'Q1 FY2022 Operational & Financial Highlights' is written in white serif font on the red background.

Q1 FY2022 Operational & Financial Highlights

Q1 FY22: Overview of Operating Environment

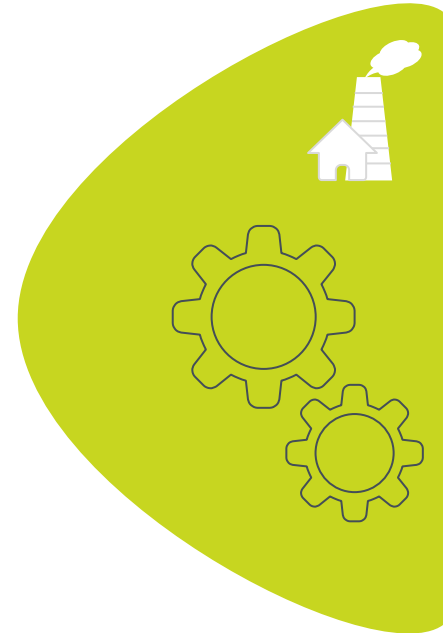
Business & Macro-demand Highlights:

- April and May 2021 saw subdued demand and volume offtake across domestic markets due to the onset of the second wave of the pandemic
- In addition, commodity-related price hikes and high petrol prices in the quarter impacted demand scenario
- As lockdowns and restrictions eased in June 2021, passenger vehicles witnessed better recovery driven by high pending bookings, low channel inventory and a strong underlying demand
- Rural and urban demand saw an uptick in June continuing in July
- On the international front, most of the key export geographies in the US and Europe reported healthy auto sales led by steady demand and stable currency in key markets
- The Maharashtra and Gujarat governments, have recently introduced maiden policy for Electric Vehicles respectively, improving the industry structure for EV as other states are expected to follow
- The Maharashtra policy offers incentives for demand and charging infrastructure. Further, the policy aims to make Maharashtra the top producer of EVs which will prove beneficial for Alicon, which has 2 out its 4 plants located in Maharashtra



COVID-19 second wave: Impact on Operations

- Given the lockdowns and restrictions in India, Alicon's manufacturing units operated at 50% average capacity utilization levels and at reduced manning levels
- This, in addition to lower demand in April and May, resulted in lower volumes
- However, with easing of restrictions in June, the Company saw a bounce back in demand coming in from OEMs and reported steady sales in the month of June
- Health & safety of employees is one of the key focus areas for Alicon. The Company continues to follow strict adherence to social distancing, hygiene protocols and safety
 - In May and June, the Company started vaccination drives for protection against Covid-19 for its employees, employee dependents, support staff and business partners
- From a business standpoint, Alicon continues to institute cost rationalization initiatives and has undertaken optimum working capital measures to conserve cash flows and ensure steady profitability



Q1 FY22 - Operational Resilience

- Lower fixed expenses
- Lean and Agile manufacturing processes
- Improved gross margins
- Focus on reducing overheads
- Program to reduce interest cost

- Manufacturing facilities operating at steady utilization levels
- The Company continues to undertake all the mandatory protocols and safety measures for all its employees across plants as per the guidelines stipulated by the Ministry of Home Affairs of the Government of India

Sustainable Cost-optimisation

New Business Wins:

- In Q1FY22, the Company has booked 13 parts
- This includes 4 parts in the Domestic business
- 9 parts from the Export business

Key Motto for FY 21-22: 3R



Manufacturing processes

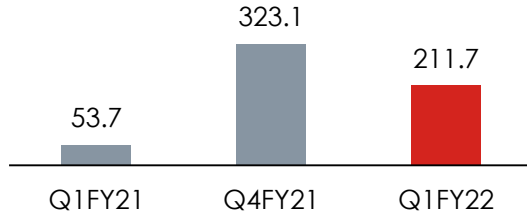
Future Ready

Alicon, as an organization is Future Ready to tap opportunities arising from:

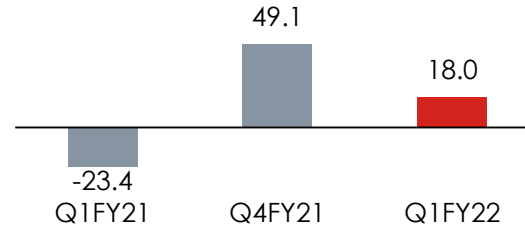
- Shift to personal mobility catalysed by pandemic
- Preference for green vehicles such as hybrid and electric vehicles
- Staggered introduction of vehicle scrappage policy
- Thrust on higher fuel efficiency
- Cost-optimisation & light-weighting of products

Q1 FY22 Highlights – Consolidated

Total Income

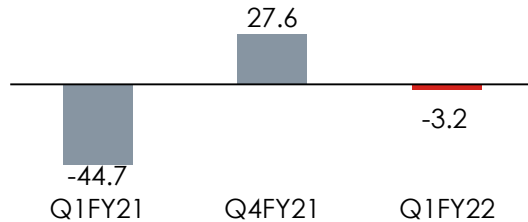


EBITDA

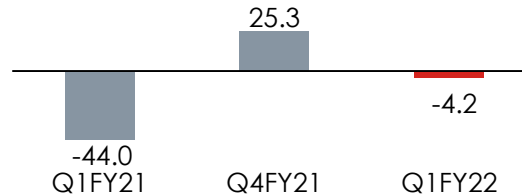


EBITDA %	NM	15.2	9%
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PBT



PAT

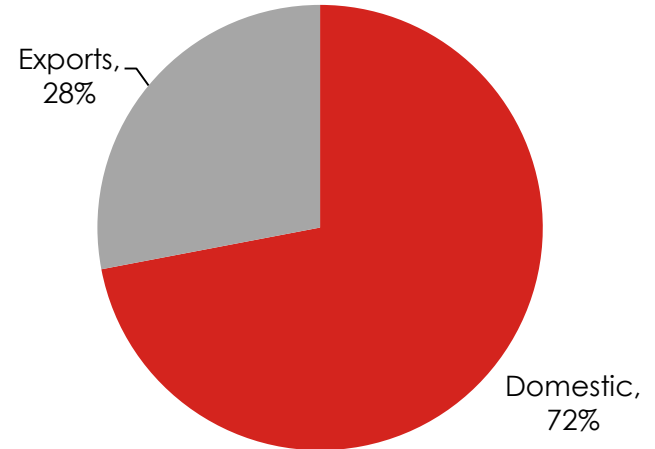
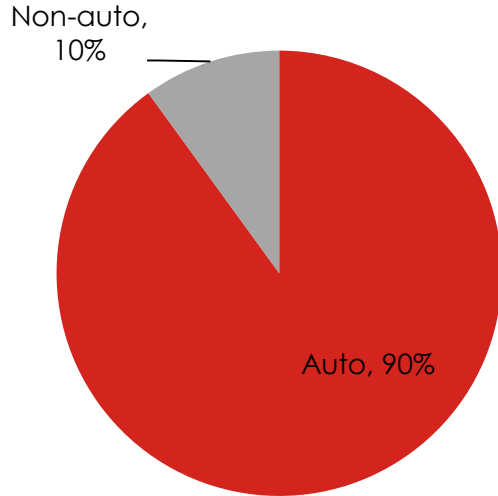


PAT %	NM	7.8	NM
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- Reported a steady performance during the quarter, despite challenges in the operating environment
- Performance supported by improved contribution from international subsidiary – Illichman.
- In Q1, total Income was higher by 294% YoY on the back of a lower base in Q1 FY20
- Other income of Rs. 0.94 crore
- Gross profit stood at Rs. 105.73 crore, with gross margin at 50%
- EBITDA margin at 9% supported by cost-optimization measures
- Reported PAT of Rs. (4.2) crore in Q1

Figures in Rs. Crore

Revenue Mix – Q1FY22



Abridged P&L – Consolidated

Particulars (Rs. crore)	Q1FY22	Q1FY21	Y-o-Y Shift
Net Revenue from Operations	210.75	52.98	298%
Other Income	0.94	0.68	38%
Total Income	211.68	53.66	294%
Total Expenditure	193.65	77.07	151%
Raw Material expenses	105.01	25.74	308%
Employee benefits expense	32.01	29.75	8%
Other expenses	56.63	21.59	162%
EBITDA	18.03	(23.42)	NA
EBITDA margin (%)	9%	NM	NA
Finance Costs	8.57	8.89	-4%
Depreciation and Amortization	12.69	12.42	2%
PBT	(3.22)	(44.73)	-93%
Tax Expenses	0.98	(0.74)	-232%
PAT	(4.20)	(43.99)	NA
PAT Margin (%)	NM	NM	NA

Management Message

Commenting on the performance, Mr. Rajeev Sikand, Group CEO , Alicon Castalloy said,

“We have reported a resilient performance in the quarter despite challenges in the operating environment in India caused by the severe second wave. During this period, we witnessed subdued offtake by OEMs and other customers, which impacted our volumes, particularly in the months of April and May. However, as restrictions eased, there was a hint of a revival in June which has gained further traction in July. On the exports front, we reported a strong sustained growth led by continued demand in key geographies.

I am delighted to share that we have successfully concluded our fund raise aggregating to Rs. 80 crore through a QIP in June. The fund raising exercise witnessed a high level of interest and has been 100% allotted to marquee Domestic Institutional Investors. This was followed by a preferential issue aggregating Rs. 30 crore to our promoters and our large, non-institutional investor in July. This capital will enable us to execute on our large order backlog with growth visibility spanning multiple years. We will also take the opportunity to reduce debt and strengthen the balance sheet further.

As we look ahead, the enquiry pipeline is robust and the global auto sector is poised for a growth revival after several challenging years. Even as electric mobility is the pre-eminent growth driver for the industry at present, other opportunities for accretive growth are emerging. Overall, we remain future-ready and look forward to a positive fiscal ahead”



Concall Details

Conference Call Details

Alicon Castalloy's Q1 FY22 Earnings Conference Call

Time & Date

- 12.00 noon IST on Friday, August 6, 2021
-

Local dial-in numbers

- +91 22 6280 1141
 - +91 22 7115 8042
-

International Toll Free Number

- Hong Kong: 800 964 448
 - Singapore: 800 101 2045
 - UK: 0 808 101 1573
 - USA: 1 866 746 2133
-

Thank You

For further information, please contact:

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